

Introduction

The *Federal Legislative Update*, published several times a year by the Texas Workforce Investment Council (Council), informs stakeholders about developments in federal legislation that impact workforce policy. This third 2012 update focuses on recent activity in Congress.

Each United States Congress is two years in length and is made up of two sessions. The first session convenes on January 3 of odd-numbered years and subsequently adjourns on January 3 of the following year. The second session convenes from January 3 of even-numbered years, and continues to the following January 3. The current 112th Congress is in session from January 2011 to January 2013. The second session of the 112th Congress was convened on January 3, 2012.

The Senate President is Joe Biden, the Senate President Pro Tempore is Daniel Inouye, and the House Speaker is John Boehner. There are 100 Senators, 435 House Representatives and six non-voting members.

Appropriations

Various congressional committees continue to draft the federal budget for the upcoming fiscal year (FY), with significant differences between the House and Senate versions. Near the end of September, Congress passed and the President signed a Continuing Resolution (CR) to fund the federal government for the first half of FY 2013, which begins October 1. The CR will fund most federal programs .6 percent above FY 2012 levels.

The main issue facing Congress is the automatic funding reduction that will go into effect at the end of the year, under a previously agreed to process known as sequestration. Congress must apply \$1.2 trillion in spending cuts or an 8.2 percent reduction in funding will be made across all federal programs. Congress will not reconvene until after the presidential election for what will be referred to as a lame duck session.

On **June 14**, the Senate Committee on Appropriations approved their draft of the FY 2013 Labor, Health and Human Services, Education, and Related Agencies bill. The U.S. Department of Labor's (DOL) funding for FY 2013 would be set at \$12.3 billion, a decrease from this year's level of \$12.6 billion. This bill would fund the affected agencies approximately \$9 billion more than the amount of the draft budget currently moving through the House. In this version, the Workforce Investment Act (WIA) Governors' State Set-Aside would be set at ten percent.

On **July 18**, the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies approved the FY 2013 appropriations bill for these agencies. The bill would restore the governors' authority to reserve up to fifteen percent of WIA funds for statewide activities. The bill also would eliminate funding for the Workforce Innovation Fund.

This House budget version would provide \$12 billion for DOL which is \$600 million less than this year and about \$72 million below the amount proposed by the President in his draft budget.

The legislation would fund DOL's Employment and Training Administration at \$10.6 billion, a decrease of \$269 million from last year and an increase of \$174.8 million above the President's request. This increase is largely the result of a denial of the President's proposal to transfer \$448 million for the Community Service Employment for Older Americans program to the Department of Health and Human Services. In total, FY 2013 spending for the agencies covered under the bill would be set at \$150 billion, which is a reduction of \$6.3 billion from current funding and \$8.8 billion below the President's budget request.

WIA Reauthorization

Various pieces of legislation drafted to reauthorize the Workforce Investment Act (WIA) have been filed during the current session of Congress. Below is an update on recent action.

HR 4297, the Workforce Investment Improvement Act of 2012, is the House majority version of WIA reauthorization. The bill is sponsored by the leading Republican members of the House Committee on Education and the Workforce and was voted out of this committee along party lines on June 7. This bill would consolidate federal workforce programs into a single Workforce Investment Fund and require that state workforce boards be comprised of a minimum 2/3 business representatives. The committee amended the bill to authorize governors to reserve ten percent of the state set-aside for statewide activities. Other provisions of the bill would repeal WIA National Emergency Grants; add industry- and postsecondary- recognized credentials as a common performance measure; require state and local workforce leaders to specify the strategies and services they will offer at-risk youth; and reduce the number of staff at DOL.

The committee amendments also included provisions adding a funding stream for a new military transitional assistance program and requiring every local area to add a veterans employment specialist. Provisions increasing the national set-aside for Native American programs from one percent to two percent and requiring performance information at the state and local levels were also added.

Other Workforce-Related Legislation

HR 5155, the Veteran Skills to Jobs Act, was passed by Congress and then signed into law by the President in July. This bill requires the head of each federal department or agency to ensure that an applicant for any federal license who has received relevant training while serving as a member of the Armed Forces is deemed to satisfy any training or certification requirements for the license, unless the training received is found to be substantially different from the training or certification requirements for such license.

S 3240, Agricultural Reform, Food and Jobs Act, was passed by the Senate in June. This version of the farm bill would preserve the Supplemental Nutrition Assistance Employment and Training Program. It also would add a new eligibility provision which would limit nutrition

assistance for college students to individuals enrolled in adult or remedial education or programs supported by funding from the Carl D. Perkins Act.